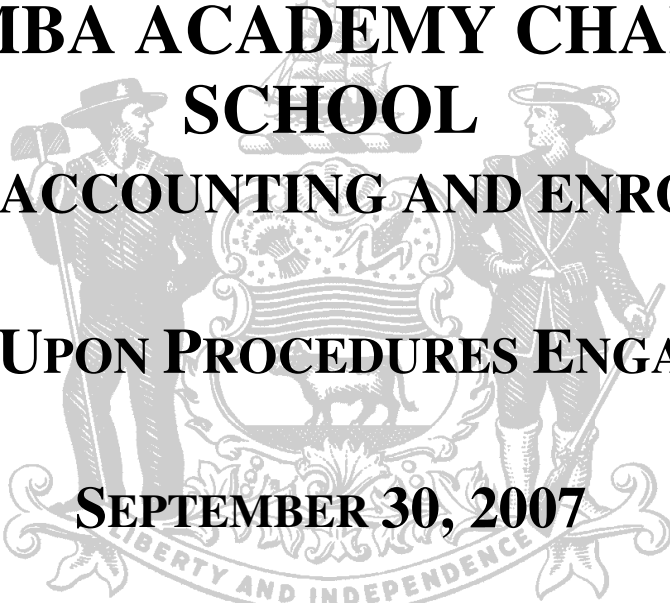


STATE OF DELAWARE
OFFICE OF
AUDITOR OF ACCOUNTS

**KUUMBA ACADEMY CHARTER
SCHOOL**
STUDENT ACCOUNTING AND ENROLLMENT
AGREED-UPON PROCEDURES ENGAGEMENT
SEPTEMBER 30, 2007

The seal of the State of Delaware is centered behind the text. It features two figures, a Native American on the left and a Revolutionary War soldier on the right, flanking a shield. The shield contains a ship and a plow. Below the shield is a banner with the words "LIBERTY AND INDEPENDENCE".

MARCH 12, 2008

R. THOMAS WAGNER, JR., CFE, CGFM, CICA
AUDITOR OF ACCOUNTS

Townsend Building, Suite 1
401 Federal Street
Dover, DE 19901
TELEPHONE 302-739-4241
FACSIMILE 302-739-2723

www.state.de.us/auditor/index.htm

TABLE OF CONTENTS

Independent Accountant's Report	1
Schedule of Findings	3
Schedule of Prior Year Findings	6
Distribution of Report	8



STATE OF DELAWARE

OFFICE OF AUDITOR OF ACCOUNTS

R. THOMAS WAGNER, JR., CGFM, CFE
AUDITOR OF ACCOUNTS

PHONE: (302) 739-4241
FAX: (302) 739-2723

**Independent Accountant's Report
on Applying Agreed-Upon Procedures**

The Honorable Valerie A. Woodruff
Secretary
Department of Education
401 Federal Street
Dover, DE 19903-1402

Dr. Sondra Shippen
Head of School
Kuumba Academy Charter School
519 North Market Street
Wilmington, DE 19801

Dear Secretary Woodruff and Dr. Shippen:

We have performed the procedures enumerated below, which were agreed to by Department of Education (DOE) and Kuumba Academy Charter School (the School), solely to assist the specified parties in evaluating the School's compliance with laws and regulations in regard to Student Accounting and Enrollment as of September 30, 2007. The School's management is responsible for School's compliance with those requirements.

This agreed-upon procedures engagement was performed in accordance with *Government Auditing Standards*, issued by the Comptroller General of the United States and the attestation standards established by the American Institute of Certified Public Accountants. The sufficiency of these procedures is solely the responsibility of those parties specified in this report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

Our procedures were as follows:

1. Determine if the Charter School's policies and procedures for preparing, reviewing, and reporting the September 30th student count are adequate.
2. Determine if the Charter School properly reported enrollment figures to the DOE. Calculate the dollar impact of disallowed students, if applicable.
3. Select 10 percent (10%) or a minimum of five "Individualized Education Program" (IEP) files at the Charter School and verify that each file contains the required documentation in accordance with the DOE's Administrative Manual for Special Education Services. Calculate the dollar impact of disallowed services, if applicable.

We were not engaged to and did not conduct an examination, the objective of which would be the expression of an opinion on compliance with specified laws. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the information and use of the DOE and the School and is not intended to be used by anyone other than these specified parties. However, this report is a matter of public record and its distribution is not limited. This report, as required by statute, was provided to the Office of the Governor, Office of the Controller General, Office of the Attorney General, Office of Management and Budget, and Department of Finance.

R. Thomas Wagner, Jr., CFE, CGFM, CICA
Auditor of Accounts
Office of Auditor of Accounts

March 12, 2008

SCHEDULE OF FINDINGS

Procedure #1

Determine if the Charter School's policies and procedures for preparing, reviewing and reporting the September 30th student count are adequate.

Finding #1

Criteria

The State of Delaware *Budget and Accounting Policy Manual* states, "Department or agency heads are responsible for establishing and maintaining an effective system of internal control." Additionally, the manual states, "Internal control provides management with reasonable assurance that its policies and procedures are implemented and consistently followed to ensure efficient and effective organizational operation." Further, the manual states, "A well designed system of controls must include written policies and procedures to ensure that each control objective is met."

Condition

Kuumba Academy Charter School utilizes DOE issued manuals and memorandums. These manuals and memorandums provide guidance regarding the eligibility of students; however, they do not address the School's internal operations regarding the preparation, review, and reporting of student enrollment figures for the September 30th student count.

Cause

The School's new administration was not aware of the prior audit finding and had not developed policies and procedures for Student Accounting and Enrollment.

Effect

Lack of an internal control structure could possibly result in an error in the figures reported by the School to DOE.

Recommendation

Kuumba Academy Charter School further develop and implement in-house written policies and procedures governing the preparation, review and reporting of the September 30th student enrollment figures to the Department of Education. These policies and procedures should incorporate information such as:

- Attendance taking methodology.
- Verification of attendance by upper level administrative staff.
- Gathering and maintaining documentation that supports attendance and reported enrollment figures (medical excuses, transfer/entry/withdrawal forms, homebound documentation, documentation concerning any child that is placed in an alternative education setting, engineering, etc.).
- How the School ensures that required information is included on IEP's (necessary signatures, goals, benchmarks, and objectives, etc.).
- How the School ensures that required documentation is maintained for students in vocational or co-op programs (if applicable).

SCHEDULE OF FINDINGS

- References to pertinent rules and regulations stipulated by DOE or Delaware Code.
- Records retention policy.

Auditee Response

Kuumba Academy Charter School will implement a procedure which ensures that required documentation relating to the DOE requirements for the September 30th Count will be managed. The procedure will incorporate specific plans which address areas outlined in the recommendation of the audit and will further will incorporate internal checks and balances to ensure the fidelity of the information submitted to the Department of Education.

Procedure #2

Determine if the Charter School properly reported enrollment figures to the Department of Education. Calculate the dollar impact of disallowed students, if applicable.

Finding #2

Criteria

DOE's "A Summary of Delaware Code and Department of Education Regulations for Student Accounting for the September 30 Enrollment and Unit Computation" (dated August 2007), states, "Enrollment means attending school sometime during the last 10 student attendance days of September or having a legitimate reason for not attending and is expected to return prior to November 1. Supporting documentation must be on file indicating the reason for absence, the reason the student is expected to return, and an expected return date."

Condition

The School included two students in the September 30, 2007 student enrollment that were ineligible to be included in the count. The students were withdrawn before the September 30, 2007 count was taken.

Cause

The School did not properly determine the eligibility status for these two students through its internal review process over enrollment accounting and reporting.

Effect

Without proper attention and care in following the DOE's regulations, the School could continue to over-report the number of students enrolled, which may result in over-funding from DOE. The disallowance of these students could result in a loss of 0.12 units, which computes to \$6,220.

Recommendation

The School should review the DOE's regulations for Student Accounting and Enrollment reporting and ensure the underlying documentation supports the number of eligible students reported for future periods.

SCHEDULE OF FINDINGS

Auditee Response

The administrative team of Kuumba Academy will ensure that support documentation for eligible students is accurate. The Dean of Health and Nutrition Services and the Director of Fiscal Operations will serve as lead individuals with this reporting requirement. The Head of School will sign off on material once it has been compiled.

SCHEDULE OF PRIOR YEAR FINDINGS

The following schedule summarized the prior year findings and the status of the prior year findings.

Prior Year Finding	Recommendation	Status of Prior Year Finding
<p>Kuumba Academy Charter School utilizes DOE issued manuals and memorandums. These manuals and memorandums provide guidance regarding the eligibility of students; however, they do not address the School's internal operations regarding the preparation, review, and reporting of student enrollment figures. Although the School maintains written policies and procedures for September 30th student count, the written policies are inadequate.</p>	<p>Kuumba Academy Charter School further develop and implement in-house written policies and procedures governing the preparation, review and reporting of the September 30th student enrollment figures to the Department of Education. These policies and procedures should incorporate information such as:</p> <ul style="list-style-type: none"> • Attendance taking methodology. • Verification of attendance by upper level administrative staff. • Gathering and maintaining documentation that supports attendance and reported enrollment figures (medical excuses, transfer/entry/withdrawal forms, homebound documentation, documentation concerning any child that is placed in an alternative education setting, engineering, etc.). • How the School ensures that required information is included on IEP's (necessary signatures, goals, benchmarks, and objectives, etc.). • How the School ensures that required documentation is maintained for students in vocational or co-op programs (if applicable). 	<p>Not Implemented – see current year finding.</p>

SCHEDULE OF PRIOR YEAR FINDINGS

Prior Year Finding	Recommendation	Status of Prior Year Finding
	<ul style="list-style-type: none"> References to pertinent rules and regulations stipulated by DOE or Delaware Code. Records retention policy. 	
Kuumba Academy Charter School claimed a kindergarten student in both the regular and special education enrollment figures for school year 2004/2005. The student was eligible for inclusion in the special education count figures. The student was not eligible for inclusion in the regular education count figures. The disallowance of one student from the regular count resulted in the reduction of units for the School from 13.48 to 13.45 and the loss of funding in the amount of \$1,509.	<p>Kuumba Academy Charter School revise its records and documentation to accurately reflect the enrollment figures.</p> <p>Kuumba Academy Charter School repay \$1,509 to the State of Delaware.</p>	Implemented.

Status Key:

Implemented

The concern has been addressed by implementing the original or an alternate corrective action.

Not Implemented

The corrective action has not been initiated.

Partially Implemented

The corrective action has been initiated but is not complete and the auditor has reason to believe management fully intends to address the concern.

DISTRIBUTION OF REPORT

Copies of the School's Agreed-Upon Procedures Engagement have been distributed to the following public officials:

Executive Branch

The Honorable Ruth Ann Minner, Governor, State of Delaware
The Honorable Richard S. Cordrey, Secretary, Department of Finance
The Honorable Jennifer W. Davis, Director, Office of Management and Budget
The Honorable Valerie Woodruff, Secretary, Department of Education
Ms. Dorcell Spence, Associate Secretary, Finance and Administrative Services, Department of Education
Ms. Trisha Neely, Director, Division of Accounting, Department of Finance

Legislative Branch

The Honorable Russell T. Larson, Controller General, Office of Controller General

Other Elective Offices

The Honorable Joseph R. Biden III, Attorney General, Office of the Attorney General
The Honorable Jack Markell, Treasurer, State Treasurer's Office

Other

Dr. Sondra Shippen, Head of School, Kuumba Academy Charter School
Ms. Denise Elliott, Dean of Health and Nutrition Services, Kuumba Academy Charter School
Ms. Michelle Hastie, Fiscal Officer, Kuumba Academy Charter School